

IMAGION BIOSYSTEMS LIMITED

(ASX: IBX)

28 October 2022

Quarterly Activity Report – quarter ending 30 September 2022

Highlights:

- **Imagion presented prostate cancer research data at World Molecular Imaging Conference (WMIC)**
- **Receipt of \$2.5 million R&D tax incentive (post quarter end)**

MELBOURNE – Imagion Biosystems (ASX:IBX), a company dedicated to improving healthcare through the early detection of cancer, today released its Appendix 4C Quarterly Cashflow report and update on company activities for the quarter ending 30 September 2022 (Q3 FY2022).

Executive Chairman and CEO Bob Proulx commented, “Our study sites have seen an increase in screening of eligible patients during the last two quarters which has resulted in additional enrolments in our Phase I breast cancer study and we remain encouraged by the results we are seeing. The prostate cancer data we presented at the WMIC was also very encouraging and supports our plan of using our magnetic nanoparticle technology to develop magnetic imaging agents for multiple types of cancer to address the large unmet need of making non-invasive detection of cancers more accessible and affordable while avoiding the use of radiation and improving patient care.”

Summary of Activities

MagSense® HER2 breast cancer study

Enrolment into the MagSense® HER2 Breast Cancer Phase I study has continued during the quarter with results continuing to be in line with prior updates. The study remains open with all sites actively screening for eligible patients.

MagSense® prostate cancer research update

During the quarter our Vice President of Research and Pre-Clinical Development, Dr Marie Zhang, presented our most recent research data related to our prostate cancer imaging agent at the 2022 World Molecular Imaging Congress (WMIC). The preclinical research data provides strong evidence that the Company’s magnetic nanoparticle technology has the potential to target prostate cancer tumours expressing the Prostate Specific Membrane Antigen (PSMA) with high specificity, accumulating preferentially in tissues expressing PSMA and not in other vital organs. Importantly, the research shows the imaging agent is detectable by both MRI and the Company’s proprietary magnetic relaxometry technology. The data presented follows from the initial work supported by a CSIRO Innovations Connections grant. Further studies will be needed to substantiate the imaging agent’s ability to detect clinically significant disease.

A copy of the poster presented at the WMIC can be requested here: <https://info.imagionbio.com/wmic-2022-poster-request>.



Summary of cash flows

Imagination's cash balance at 30 September 2022 was \$5.3 million, a decrease of \$3.2 million from the prior quarter. The Company reported an operating cash outflow of \$2.8 million in the quarter, 10% up on the prior quarter's operating cash outflow and in line with the Company's expectations.

Administration and corporate costs, and staff costs increased slightly on the prior quarter while research and development costs reduced slightly. Repayment of borrowings and interest costs increased during the quarter. These increases relate to the allocation of rent for our San Diego facility, in line with the lease accounting provisions of the accounting standards.

As previously mentioned, as the MagSense® HER2 Breast Cancer Study progresses and the Company advances its development pipeline, research and development expenditures and staff costs are expected to increase in the coming quarters.

Subsequent to quarter end Imagination received its AU\$2.5 million research and development tax incentive from the Australian Taxation Office (ATO) in respect of the 2021 year. Within the attached Appendix 4C the Company is showing an estimate of 1.9 quarters of cash flow remaining, if the research and development tax incentive had been received prior to 30 September 2022, the Company would have been showing an estimate of 2.7 quarters of cash flow remaining.

-ENDS

About Imagination Biosystems

Imagination Biosystems is developing a new non-radioactive and precision diagnostic molecular imaging technology. Combining biotechnology and nanotechnology, the Company aims to detect cancer and other diseases earlier and with higher specificity than is currently possible. Imagination Biosystems listed on the Australian Securities Exchange (ASX) in June 2017.

For further information please visit www.imaginationbiosystems.com

Authorisation & Additional information

This announcement was authorised by the Board of Directors of Imagination Biosystems Limited

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Imagion Biosystems Limited

ABN

42 616 305 027

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	88	326
1.2 Payments for		
(a) research and development	(872)	(2,666)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(36)	(103)
(d) leased assets	-	-
(e) staff costs	(1,189)	(3,236)
(f) administration and corporate costs	(798)	(1,874)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	(62)	(121)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	22	22
1.8 Other (provide details if material)	27	27
1.9 Net cash from / (used in) operating activities	(2,816)	(7,620)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(300)	(506)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	39
2.6	Net cash from / (used in) investing activities	(300)	(467)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	3	3
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(369)	(658)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(366)	(655)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,522	13,394
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,816)	(7,620)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(300)	(467)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(366)	(655)
4.5	Effect of movement in exchange rates on cash held	267	655
4.6	Cash and cash equivalents at end of period	5,307	5,307

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,307	8,522
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,307	8,522

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,816)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,307
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,307
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.9
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The entity has received a \$2.5 million research and development tax credit on 25 October 2022. If this had been received prior to the end of Q3 the estimated quarters of funding available would have been 2.7.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28 October 2022

Date:

By the Board of Imagion Biosystems Limited

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.